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WELD, CELLUCCI ANNOUNCE DOWNSIZING PLAN

Recommend $500 Million Income Tax Cut
$100 million registry fee relief

Governor William Weld and Lt. Governor Paul Cellucci today announced a sweeping proposal for a smaller, more efficient and less costly state government and a reduction in the state income tax from 5.95 percent to 5.45 percent, saving taxpayers half-a-billion dollars. The downsizing plan includes the elimination of five cabinet secretariats, 76 state agencies and 263 boards and commissions. The plan also calls for the sunsetting of all state regulations and the privatization of functions performed by several government authorities, including the Massachusetts Water Resources Authority (MWRA) and Massachusetts Bay Transportation Authority (MBTA).

The plan would also make owning and operating a car in Massachusetts less costly and free of unnecessary bureaucratic hassles. The proposal would eliminate the requirement to renew driver's licenses every five years and car registrations every

two years, abolish the flawed annual vehicle safety inspections and make biannual the auto emissions test. For new cars, the auto emissions test would be required only after the third year of ownership. The Registry of Motor Vehicles measures would save Massachusetts drivers $100 million and eliminate an estimated 2.5 million registry transactions a year.

Weld, who announced the downsizing plan at the Old State House, said: "The average citizen in this state is still working until May 8th every year just to pay for all the government in his life. We haven't given the people of Massachusetts nearly the relief they deserve.

"Over the last few months, we asked citizens and state employees all across the Commonwealth: 'What should state government do?' The answers we heard were simple: It should ensure public safety; help those who can't help themselves; educate our citizens; and care for the assets all of us hold in common. By focusing on these core missions and considering nothing else sacred we were able to achieve dramatic savings for the taxpayers."

"I've talked to people from Quincy to North Adams to New Bedford about their ideas for changing state government," said Cellucci. "The concerns I heard most frequently were that government regulates too much and taxes are too high. This downsizing plan addresses both." Cellucci held a dozen meetings with citizens around the state to solicit ideas for downsizing

state government. Ideas were also solicited through a 1-800 number, an E-Mail address and from state employees through a survey.

"We were able to cut two-thirds-of-a-billion dollars by ignoring the entrenched interests and simply asking, 'What do the people of Massachusetts need?'" said Cellucci.

Under the plan, the Executive Offices of Labor, Consumer Affairs, Economic Affairs, Education, and Communities and Development would be abolished. Retained would be: Elder Affairs; Public Property, replacing the Executive Office of Transportation and Construction; Family Services, replacing the Executive Office of Health and Human Services; Administration and Finance; Environmental Affairs; and Public Safety.

Additional highlights of the administration's downsizing recommendations include:

Education

Overview: The Weld-Cellucci Administration, with the Legislature, took the first steps to radically reform the state's K-12 and higher education systems by enacting the 1993 Education Reform Act and consolidating previously separate state universities into a unified university system. Now it is time to take the next critical steps. The administration proposal represents the long overdue integration of K-12 and higher education systems as well as the state's job training programs.

Education, *Cont'd*

The administration also believes that parents should be empowered to send their children to an institution of their choice. No student should be locked into a failed school and denied the basic skills needed to earn a living, and through a new school voucher program, no student will be. Moreover, public colleges and universities should receive state dollars contingent on improved quality and the attainment of defined standards.

Education proposals include:

- Eliminate the Executive Office of Education;
- Consolidate the Board of Education, the MassJobs Council and the Higher Education Coordinating Council into a newly created Board of Education and Training;
- Eliminate the Department of Education;
- Institute a voucher program for K-12 public and private schools;
- Block grant small education grant programs to free communities from state micromanagement;
- Convert higher education subsidies to outcome-based aid;
- Expand Charter Schools.

"We need to turn our public schools' failure into success in this way: First, by making those schools part of an integrated lifelong learning system that includes higher education and job training; Second, by giving each child a voucher that parents can deliver to the school of their choice," Weld said.

Family Services

Overview: Today, state government's health and human service programs cost more than $7 billion, employ over 26,000 and serve some 800,000 clients. That represents nearly half the state budget, a third of all state employees and 13 percent of the Massachusetts population. There are more state Health and Human Services regional and area offices than there are McDonald's franchises in Massachusetts. This sprawling bureaucracy was not designed, it just happened. The downsizing proposal rebuilds the state's human services delivery system by consolidating the myriad uncoordinated services into four critical responsibilities: protecting children; helping those with disabilities become more self-sufficient; providing transitional assistance to the truly needy; and promoting public health.

Human Services proposals include:

- Create the Executive Office of Family Services, replacing the Executive Office of Health and Human Services;
- Replace 14 human services agencies and six boards, commissions and councils scattered throughout state government with four coherent departments -- Children's Services, Rehabilitative Services, Transitional Services and Public Health Services;
- Offer Family Services' clients a single access point to services;
- Increase reliance on private providers;
- Create incentives for state public health institutions to develop and offer low-cost and needed services;
- Institute means-testing, based on ability to pay, for family services.

- Transportation

Overview: A growing economy depends on a well-maintained, modernized and coordinated transportation system that moves people and goods effectively and efficiently. For too long responsibility for our built assets has been divided among competing state agencies, leading to a haphazard, uncoordinated approach to asset management. Our public infrastructure professionals must work together if Massachusetts is to win the twenty-first century competition for jobs, skilled workers and new businesses.

Transportation proposals include:

- Privatize MBTA, including functions such as real estate management, payroll services, bus operations, revenue counting and auditing services;
- Give governor veto authority over capital spending plans of all transportation authorities;
- Consolidate management operations of 15 Regional Transit Authorities, now subsidized by taxpayers to the tune of $35 million;
- Privatize the management of Logan Airport terminals, Hanscom Field and MassPort maritime functions;
- Privatize state office building and surplus property management;
- Consolidate Massachusetts Highway Department and Metropolitan District Commission highway and bridge construction and maintenance under a new Department of Transportation within the Executive Office of Public Property.

Executive Branch Administration

Overview: Citizens are not the only ones frustrated with government. Those who work for the state or do business with it are just as dismayed. In some instances, getting something done seems to take forever. In the new state government, duplicative state bureaucracies that cost too much, perform too slowly or work at cross purposes would have to go. Internal business operations of state government would be radically realigned. Taking a page from the business world, the Secretary of Administration and Finance would oversee: management support networks for agencies; state licensing and regulation; and tax collection and other administrative functions.

Executive Branch Administration proposals include:

- Sunset the 25,000 page Code of Massachusetts Regulations in one year and require state agencies justify retaining regulations;
- Eliminate, consolidate, privatize and sunset boards and commissions;
- Abolish civil service system;
- Institute "term limits" of 12 years for non-law enforcement state employee managers;
- Establish an Employee Code of Conduct;
- Contract for comprehensive payroll services;
- Consolidate licensing and regulation throughout state government in a single Department of Licensing and Regulation;
- Eliminate the Alcohol Beverages Control Commission and allow cities and towns complete regulatory authority;
- Coordinate municipal assistance services, now managed by both the Executive Office of Communities and Development and the Division of Local Services into one Division of Municipal Services;
- Refocus quasi-public economic development efforts by consolidating 13 existing quasi-public agencies into four, eliminating duplication, limiting overlapping missions and allowing for better coordination.

Environment

Overview: Protecting the environment is an essential function of state government and a core value for our citizens. We do not own the rivers, forests, sea, and sky, the animals, birds or fish; they are our legacy to our children. The quality of the natural environment we leave them is as important as the schools and roads we build and says as much about our concern for their future.

Environmental Affairs proposals include:

- Retain Executive Office of Environmental Affairs;
- Privatize the management of the Massachusetts Water Resources Authority;
- Move Department of Environmental Protection permitting function and compliance with Mass Environmental Policy Act to new Department of Licensing and Regulation under Secretary of Administration and Finance;
- Maintain standard setting and enforcement functions within Department of Environmental Protection;
- Privatize MDC skating rinks, golf courses and swimming pools;
- Create a new Department of Conservation and Recreation consisting of the Division of Fisheries and Wildlife, the Metropolitan District Commission, the Department of Food and Agriculture, the Division of Conservation Services and the Water Resources Commission;
- Turn MDC "tot lots", local playgrounds, over to local communities;
- Sell MDC headquarters building.

Public Safety

Overview: First and foremost, government should protect law-abiding citizens from violent criminals and from physical disasters. Public safety institutions are not always an even match with career criminals. With hundreds of points of contact between an offender and the criminal justice system, there are many opportunities for things to go wrong. We have to break down the barriers to cooperation among our law enforcement agencies, refocus on new goals and access technology to pull public safety agencies out of the dark ages.

Public Safety proposals include:

- Get Public Safety out of the business of regulation by transferring necessary regulatory functions to Department of Licensing and Regulation and eliminating others;
- Shift State Police away from road patrols and toward specialized services;
- Upgrade information technology infrastructure;
- Unify prisoner classification;
- Transfer Probation Department to Public Safety;
- Consolidate Department of Correction, Probation Department and Parole Board into new Department of Criminal Justice;
- Eliminate county government, retain elected sheriffs;
- Privatize additional correctional services.

"We now have the blueprint for a better state government -- one that will free both our citizens and our economy and make Massachusetts the most attractive place in the nation to live, work and raise children," Weld said.

"The plan is radical only because we were unwilling to live with mistakes of the past and turn a blind eye to them," said Cellucci. "Otherwise, it is modest, sensible and conservative. I hope the people of Massachusetts and the Legislature get behind it."

The administration's plan, which will be filed in legislative form in January 1996, will cut $659 million from the state budget by Fiscal 1998 and result in 7,500 fewer state employees.

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